

COUNTRYSIDE MARITIME LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2013

REGISTERED NUMBER 02549379

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COUNTRYSIDE MARITIME LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS

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## COUNTRYSIDE MARITIME LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

The Directors submit their Strategic Report on Countryside Maritime Limited (the "Company") for the year ended 30 September 2013

#### BUSINESS ACTIVITIES

The Company is a joint venture owned by Countryside Properties (UK) Limited and the Homes and Communities Agency and is controlled pursuant to a Joint Venture Agreement dated 30 November 1992

The principal activity of the Company is that of residential property development and the provision of new neighbourhood facilities at St Mary's Island, Chatham

When completed, the development will comprise up to 1,700 homes and community facilities spread over 15 sectors. To date the Company has completed 1,319 homes over 11 sectors (2012: 1,282 homes). The remaining sectors are programmed for completion over the next 6 years

#### TRADING RESULTS

The Company recorded a turnover in the year of £9,136,951 (2012: £3,240,495) and gross profit of £686,955 (2012: £Nil) which, after incurring administrative expenses of £30,113 (2012: £30,624), resulted in profit on ordinary activities before taxation of £656,842 (2012: £30,638 loss)

#### BUSINESS ENVIRONMENT

Trading conditions in which the Company operates showed modest signs of improvement during the first six months of the financial year following which there has been a marked resurgence of activity, with particularly strong growth in housing volume output and prices in London and the South East

Home buyer confidence returned with the recovery of both the housing market and the economy in general. The improvement in mortgage availability, partly through the Government's Funding for Lending Scheme, and the current low level of borrowing costs helped an increase in house building activity throughout the financial year

Demand was further boosted in April 2013 with the introduction of the Government's Help to Buy initiative which supports first time buyers and those working to trade up but have little existing equity to do so

Demand for new housing has continued to increase also partly as a result of a lack of supply in the second hand market. Rapidly improving market conditions and a highly restrictive planning environment have led to a chronic shortage of development land in the areas of greatest demand

Construction costs generally held steadily during the year although pressures were beginning to be experienced during the latter part as house builders began to increase output

## COUNTRYSIDE MARITIME LIMITED

### STRATEGIC REPORT (Continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

#### STRATEGY

The Company's principal objective is to deliver growth in shareholder value year on year, through responsible development. The Company remains committed to the creation of a sustainable community which adds real value and opportunity at St Mary's Island, Chatham and to the completion of all remaining development over the longer term.

The Company currently has detailed consent for a further 42 units within future Sectors 4E and 4F and construction on these Sectors has commenced with the first units in these Phases due completion in the Spring 2014. A Reserved Matters planning application has been submitted for 339 units on the remaining sectors, with construction due to commence in 2014.

#### KEY PERFORMANCE INDICATORS

The Board reviews performance by reference to a number of Key Performance Indicators.

*Number of Sales Completions* During the year the Company completed the sale of 37 new homes (2012 11). The average selling price of all new homes sold was £246,945 (2012 £294,590).

*Development Operating Margins* Operating profit from the Company's development activities was £656,842 (2012 £30,624 loss) with an operating profit margin of 7.19% (2012 0.95% loss margin).

*Forward Sales of New Housing* As at 30 September 2013 the value of forward sales of new homes that were either reserved or exchanged was £Nil (2012 £1.25m).

#### FUTURE OUTLOOK AND PROSPECTS

##### *Short Term*

Since the financial year end the housing markets in which the Company operates have continued to experience a growth in buyer demand both from those trading up as well as first time buyers. The stimulus provided by Help to Buy continues and it is anticipated that the introduction of Help to Buy Phase 2 in support of higher loan to value lending on second hand homes will provide a positive impact on the wider housing market and which will unlock further demand. Interest from third party developers in serviced land remains strong.

A continuation of the current favorable market conditions is anticipated. The pent up demand for housing and therefore quality, serviced land built up over a period of years is only just coming through and subject to any unforeseen economic 'shocks', this is likely to ensure robust market conditions continue for some time.

The Directors expect that activity may become subdued in the period leading up to the General Election, most likely to take place in Spring 2015, and probably for a short period thereafter. However, the Directors believe that the Company's proven approach to sustainable quality development places it in the best position to ensure it can make the very best of these buoyant market conditions.

COUNTRYSIDE MARITIME LIMITED


STRATEGIC REPORT (Continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

FUTURE OUTLOOK AND PROSPECTS (Continued)

*Longer Term*

The Directors are confident that the Company is well-positioned to meet its short term aspirations and that its longer term prospects are considerable

By Order of the Board

A handwritten signature in black ink, consisting of a stylized 'A' followed by a horizontal line.

T M Warren  
Company Secretary  
13 February 2014

## COUNTRYSIDE MARITIME LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

The Directors present their Report and the audited financial statements for the Company for the year ended 30 September 2013

#### DIVIDENDS

During the year the Directors authorised and paid a dividend on the Subsequent Sector Income shares of £375,370 (2012 £Nil) The Directors do not propose a further dividend for the year (note 15).

#### CHARITABLE AND POLITICAL DONATIONS

The Company made no political or charitable donations during the year (2012 £Nil)

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company maintains a risk management strategy and systems to ensure that risks to which it is exposed are clearly understood and regularly assessed and that adequate controls are in place to effectively mitigate their impact

The key business risks affecting the Company are as follows

##### *The Housing and Property Markets*

The stability and strength of the housing and property markets have material influence on the Company performance They are, however, beyond the Company's ultimate control The impact of weak and volatile market conditions can result in reduced trading margins, adverse cash flow, increased working capital and higher interest costs

The Company closely monitors market conditions and forecasts, regularly conducting market research at both local and national levels This is considered in detail at regular Board meetings of the Company, and is used when considering the appropriate production or sales and marketing strategy for each phase

##### *Financing and cash flow*

The Company is financed by the shareholders via shareholder equity and loans, as required

The Company's capital requirements are closely monitored through regular cash forecasts and modelling exercises The forecasts are reviewed in detail at monthly management meetings as well as at Board Meetings

The Company plans its capital requirements on cautious assumptions The Company's prudent approach to cash flow requirements and its management ensures the Company will have adequate resources to address the principal risks

#### GOING CONCERN

The Company currently meets its day-to-day working capital requirements, through its cash reserves and shareholders' loans

After making due enquiries, and having received support from its shareholders, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements

**COUNTRYSIDE MARITIME LIMITED**

**DIRECTORS' REPORT (Continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

**DIRECTORS**

The Directors of the Company during the year and up to the date of signing the financial statements were

G S Cherry  
R S Cherry  
J Sadler  
A Travers  
C R Bladon (Resigned 15 May 2013)  
N Polaine  
T Fuller

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year in accordance with Section 234 and is disclosed under Section 236 of the Companies Act 2006, which remain in force at the date of these financial statements

## COUNTRYSIDE MARITIME LIMITED

### DIRECTORS' REPORT (Continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

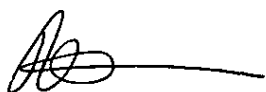
#### INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are not aware. The Directors have taken all the relevant steps that they ought to have taken in their duty as a Director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and accordingly shall be deemed to be re-appointed as auditors for a further term.

By Order of the Board



T M Warren  
Company Secretary

13 February 2014



## COUNTRYSIDE MARITIME LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRYSIDE MARITIME LIMITED

We have audited the financial statements of Countryside Maritime Limited for the year ended 30 September 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2013 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COUNTRYSIDE MARITIME LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
COUNTRYSIDE MARITIME LIMITED (Continued)

MATTERS WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Christopher Burns (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

14 February 2014

COUNTRYSIDE MARITIME LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 £	2012 £
Turnover	1 & 14	9,136,951	3,240,495
Cost of sales		<u>(8,449,996)</u>	<u>(3,240,495)</u>
Gross profit/result		686,955	-
Administrative expenses		<u>(30,113)</u>	<u>(30,624)</u>
Operating profit/(loss)		656,842	(30,624)
Interest payable and similar charges		<u>-</u>	<u>(14)</u>
Profit/(loss) on ordinary activities before taxation	2 & 14	656,842	(30,638)
Tax on profit/(loss) on ordinary activities	4	<u>(138,149)</u>	<u>10,250</u>
Profit/(loss) for the financial year	9	<u>518,693</u>	<u>(20,388)</u>

The profit/(loss) for the financial years arise from continuing operations

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalent

There were no recognised gains or losses incurred in the financial years other than those shown in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 12 to 19 form part of these financial statements

COUNTRYSIDE MARITIME LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Note	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Stocks	5	8,990,987	11,123,219
Debtors	6	274,683	29,938
Cash at bank and in hand		<u>2,483,075</u>	<u>3,488,031</u>
		11,748,745	14,641,188
<b>CURRENT LIABILITIES</b>			
Creditors amounts falling due within one year	7	<u>(1,376,555)</u>	<u>(1,709,240)</u>
<b>NET CURRENT ASSETS</b>		10,372,190	12,931,948
Creditors amounts falling due after more than one year	7	<u>(9,843,492)</u>	<u>(12,546,573)</u>
<b>NET ASSETS</b>		<u>528,698</u>	<u>385,375</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	10,000	10,000
Profit and loss account	9	<u>518,698</u>	<u>375,375</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	11	<u>528,698</u>	<u>385,375</u>

The notes on pages 12 to 19 form part of these financial statements which were approved by the Board of Directors on 13 February 2014 and were signed on its behalf by

G S Cherry  
Director

Company Registration Number 02549379

COUNTRYSIDE MARITIME LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 £	2012 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12	2,560,414	(862,754)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		-	(35)
Interest received		-	21
Net cash outflow from returns on investments and servicing of finance		-	(14)
TAXATION			
UK corporation tax received		-	10,250
EQUITY DIVIDENDS			
Dividends paid	15	(375,370)	-
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		2,185,044	(852,518)
FINANCING			
Unsecured development loan (repaid)/advanced		(660,000)	660,000
Repayment of shareholder loans	13	(2,530,000)	-
Net cash (outflow)/inflow from financing		(3,190,000)	660,000
DECREASE IN CASH IN THE YEAR	13	(1,004,956)	(192,518)

# COUNTRYSIDE MARITIME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

### 1 ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards in the United Kingdom and under the historical cost accounting convention and in accordance with the Companies Act 2006

The principal accounting policies of the Company which have been consistently applied throughout the year are as follows

#### Turnover

Turnover comprises sales of properties where building has been completed and the property has been legally conveyed to the purchaser. Sales of second-hand properties acquired solely to assist the sale of new properties under the Company's part-exchange scheme are not included in turnover

#### Gross profit

Gross profit is recognised on legal completion of the sale of each property at the margin contemplated to be received on the completion of the development

Gross profit is arrived at after interest payable and receivable and similar charges/income on development loan financing which are recognised on an accruals basis

#### Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost of stocks comprises construction costs, interest and other development expenditure (including second-hand properties acquired under the Company's part-exchange scheme)

The Directors regularly review all stocks and where, in their opinion, the net realisable value of any individual site is less than cost then provision is made to reduce the cost of stock to net realisable value. When each property is sold any provision which had been made against that unit at the previous year-end is released to trading profit. Where net realisable value exceeds cost, no account is taken of the increase until it is realised

#### Deferred taxation

Deferred taxation is recognised in respect of material timing differences that have originated but not reversed at the balance sheet date where the transactions or events resulting in an obligation to pay more, or a right to pay less, tax in the future have occurred. Deferred tax is measured at the tax rate expected to apply when the timing differences reverse, based on tax rates enacted, or substantially enacted at the balance sheet date

A deferred tax asset is only recognised when it is more likely than not that it will be recoverable in the future. Deferred tax assets and liabilities are not discounted

#### Deferred income

Deferred income represents cash deposits for the purchase of properties which are recognised as turnover on completion of the sale of the related properties

COUNTRYSIDE MARITIME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit/(loss) on ordinary activities before taxation is arrived at after charging

	2013 £	2012 £
Audit Services		
- Statutory audit	10,400	10,400
Taxation Services		
- Compliance services	1,700	3,450
	<u>12,100</u>	<u>13,850</u>

3 DIRECTORS AND STAFF

The Company has no employees (2012 None) and therefore there are no employee costs in the current or prior year

None of the Directors received any emoluments in respect of their services to the Company during the year (2012 £Nil)

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2013 £	2012 £
(i) Analysis of tax charge/(credit) for the year		
UK CORPORATION TAX		
Current year	138,149	-
Prior year adjustment	-	(10,250)
Current year tax charge/(credit)	<u>138,149</u>	<u>(10,250)</u>
DEFERRED TAX		
Deferred tax charge	-	-
Tax charge/(credit) for the year	<u>138,149</u>	<u>(10,250)</u>

(ii) Factors affecting the tax charge/(credit) for the year

The tax assessed for the year is lower (2012 higher) than the standard rate of corporation tax in the United Kingdom (23%) In these financial statements a weighted tax charge of 23.5% has been adopted (fiscal year end April 2014 – 23% and fiscal year end April 2013 – 24%)

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	656,842	(30,638)
Profit/(loss) on ordinary activities multiplied by average rate of 23.5% (2012 25%)	154,358	(7,660)
Losses (utilised)/carried forward	(8,518)	7,660
Marginal rate relief	(7,691)	-
Prior year adjustment	-	(10,250)
Current tax charge/(credit) for the year	<u>138,149</u>	<u>(10,250)</u>

# COUNTRYSIDE MARITIME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

### 4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (Continued)

#### (iii) Factors affecting the future charge to tax

The Company has cumulative gross losses of £Nil (2012 £36,209) to utilise against future tax liabilities

From April 2013 the main corporation tax rate reduced from 24% to 23% with further 2% and 1% reductions enacted, in fiscal years 2014 and 2015 to 20% as declared in the Budget Announcement in March 2013

### 5 STOCKS

	2013 £	2012 £
Work in progress	8,990,987	10,649,420
Completed properties	-	473,799
	<u>8,990,987</u>	<u>11,123,219</u>
Stocks may be further analysed		
Interest	846,207	1,010,220
Construction and other costs	8,144,780	10,112,999
	<u>8,990,987</u>	<u>11,123,219</u>

### 6 DEBTORS

	2013 £	2012 £
Other debtors	274,683	29,938
	<u>274,683</u>	<u>29,938</u>

### 7 CREDITORS

	2013 £	2012 £
Amounts falling due within one year		
Trade creditors	793,520	682,096
Homes and Communities Agency – Unsecured development loan	-	660,000
Accruals and deferred income	583,035	367,144
	<u>1,376,555</u>	<u>1,709,240</u>

Trade Creditors includes £470,704 (2012 £544,328) due to Countryside Properties (UK) Limited

	2013 £	2012 £
Amounts falling due after more than one year		
The Homes and Communities Agency Shareholder Loans	34	1,265,034
Countryside Properties (UK) Limited Shareholder Loans	34	1,265,034
The Homes and Communities Agency trade Creditors	4,921,712	5,067,159
Countryside Properties (UK) Limited trade Creditors	4,921,712	4,949,346
	<u>9,843,492</u>	<u>12,546,573</u>

The shareholder loans are unsecured, interest-free and have no fixed repayment date



# COUNTRYSIDE MARITIME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

### 8 CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, issued and fully paid		
4950 (2012: 4,950) "A" ordinary shares of £1 each	4,950	4,950
4950 (2012: 4,950) "B" ordinary shares of £1 each	4,950	4,950
1000 initial sector income shares of 5p each	50	50
750 Subsequent Sector "A" income shares of 5p each	37	37
250 Subsequent Sector "B" income shares of 5p each	13	13
	<u>10,000</u>	<u>10,000</u>

The "A" and "B" ordinary shares have identical voting and other rights including no right to share in the income or capital of the Company. The initial and subsequent sector shares carry no voting rights. However, shareholders of initial sector income shares are entitled to all profits and assets attributable to any of the initial sectors. The subsequent sector A income shareholders and the subsequent sector B income shareholders are entitled to two-thirds and one-third respectively of the profits and assets attributable to the subsequent sectors.

In the event of a winding-up

- Holders of ordinary shares are entitled to receive the amount paid up thereon,
- Holders of initial sector income shares are entitled to receive all assets available for distribution attributable to any initial sectors,
- Holders of subsequent sector income A shares and subsequent sector income B shares are entitled to receive two-thirds and one-third respectively of the assets available for distribution attributable to any subsequent sector.

### 9 PROFIT AND LOSS ACCOUNT

	2013 £
At 1 October 2012	375,375
Profit for the financial year	518,693
Dividends paid (note 15)	<u>(375,370)</u>
At 30 September 2013	<u>518,698</u>

### 10 CAPITAL COMMITMENTS

The Company had no capital commitments at 30 September 2013 (2012: £Nil)

COUNTRYSIDE MARITIME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Profit/(loss) for the financial year	518,693	(20,388)
Dividends paid	<u>(375,370)</u>	<u>-</u>
Net increase/(decrease) in shareholders' funds	143,323	(20,388)
Shareholders' funds at 1 October	<u>385,375</u>	<u>405,763</u>
Shareholders' funds at 30 September	<u>528,698</u>	<u>385,375</u>
	2013 £	2012 £
Analysis of shareholders' funds		
Equity	518,798	375,475
Non Equity	<u>9,900</u>	<u>9,900</u>
	<u>528,698</u>	<u>385,375</u>

12 RECONCILIATION OF PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	656,842	(30,638)
Interest charged in cost of sales	164,013	67,935
Decrease/(increase) in stock	1,968,218	(2,404,708)
(Increase)/decrease in debtors	<u>(244,745)</u>	<u>13,152</u>
Increase in creditors	16,086	1,491,505
Net cash inflow/(outflow) from operating activities	<u>2,560,414</u>	<u>(862,754)</u>

13 ANALYSIS OF CHANGES IN NET FUNDS

	30 Sept 2011 £	Cash flow £	30 Sept 2012 £	Cash flow £	30 Sept 2013 £
Cash at bank and In hand	3,680,549	(192,518)	3,488,031	(1,004,956)	2,483,075
Unsecured development loan	-	(660,000)	(660,000)	660,000	-
Shareholders' Loans	(2,530,068)	-	(2,530,068)	2,530,000	(68)
	<u>1,150,481</u>	<u>(852,518)</u>	<u>297,963</u>	<u>2,185,044</u>	<u>2,483,007</u>

COUNTRYSIDE MARITIME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30 SEPTEMBER 2013

13 ANALYSIS OF CHANGES IN NET FUNDS (Continued)

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS

	2013 £	2012 £
Decrease in cash in the year	(1,004,956)	(192,518)
Decrease/(increase) in debt	<u>3,190,000</u>	<u>(660,000)</u>
Movement in net funds	2,185,044	(852,518)
Opening net funds	<u>297,963</u>	<u>1,150,481</u>
	<u>2,483,007</u>	<u>297,963</u>

14 ANALYSIS BY ACTIVITY

	Turnover 2013 £	Turnover 2012 £	Operating Profit 2013 £	Operating Loss 2012 £
Development	<u>9,136,951</u>	<u>3,240,495</u>	<u>656,842</u>	<u>(30,624)</u>

All of the Company's turnover arises in the United Kingdom

The Company accounts for interest centrally and considers that any segmental apportionment of interest would not be meaningful

15 DIVIDENDS

	2013 £	2012 £
Subsequent Sector "A" income shares £306 12 (2012 £Nil) per 5p share (note 8)	229,588	-
Subsequent Sector "B" income shares £583 13 (2012 £Nil) per 5p share (note 8)	<u>145,782</u>	<u>-</u>
	<u>375,370</u>	<u>-</u>

Dividends paid are calculated on a cumulative basis in accordance with the share rights as set out in note 8. The Director's do not propose any further dividend for the year

# COUNTRYSIDE MARITIME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

### 16 RELATED PARTY TRANSACTIONS

The Company is a joint venture owned by Countryside Properties (UK) Limited (50%) and the Homes and Communities Agency (50%) and is controlled pursuant to a Joint Venture Agreement dated 30 November 1992. During the year the shareholders conducted the following transactions with the Company.

#### Countryside Properties (UK) Limited and associated companies

	2013 £	2012 £
Supply of construction works, project management and landscape services	<u>3,518,290</u>	<u>3,734,873</u>

#### The Homes and Communities Agency

	2013 £	2012 £
Licence fees in respect of provision of land and project management services	549,398	375,565
Provision of short term unsecured loan	<u>-</u>	<u>660,000</u>
	<u>549,398</u>	<u>1,035,565</u>

As at the balance sheet date, the following balances were owed by the Company to related parties:

#### Countryside Properties (UK) Limited and associated companies

	2013 £	2012 £
Project management fees, trade creditors and share of reserves	5,691,736	5,618,799
Shareholder loans	<u>34</u>	<u>1,265,034</u>
	<u>5,691,770</u>	<u>6,883,833</u>

#### The Homes and Communities Agency

	2013 £	2012 £
Provision of short term unsecured loan	-	660,000
Licence fee in respect of provision of land and project management services and share of reserves	5,267,511	5,317,410
Shareholder loans	<u>34</u>	<u>1,265,034</u>
	<u>5,267,545</u>	<u>7,242,444</u>

## COUNTRYSIDE MARITIME LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 SEPTEMBER 2013

#### 17 ULTIMATE PARENT UNDERTAKINGS AND JOINT CONTROLLING ENTITIES

The Company is a joint venture owned by Countryside Properties (UK) Limited (50%) and the Homes and Communities Agency (50%) and is controlled pursuant to a Joint Venture Agreement dated 30 November 1992

The ultimate parent company of Countryside Properties (UK) Limited in the United Kingdom is Copthorn Holdings Limited. The smallest group into which the Company is consolidated is Countryside Properties Plc Group. All companies are incorporated in the United Kingdom. Financial statements for the companies which comprise the Copthorn Holdings Limited Group are available from the Company Secretary, Countryside House, The Drive, Brentwood, Essex, CM13 3AT.

On 16 April 2013 the entire share capital of Copthorn Holdings Limited was acquired by OCM Luxembourg Coppice Holdco Sarl and existing Management. The ultimate parent company of OCM Luxembourg Coppice Holdco Sarl and the largest group into which the Company is consolidated is OCM Luxembourg Coppice Topco Sarl. All entities are incorporated in Luxembourg.

OCM Luxembourg Coppice Topco Sarl is owned by certain investment funds managed and advised by Oaktree Capital Management L.P., a global investment manager headquartered in Los Angeles, USA. By virtue of its ownership of Oaktree Capital Management L.P., the ultimate parent and controlling entity is considered to be Oaktree Capital Group LLC, an entity organised in the USA and listed on the New York Stock Exchange.

The Home and Communities Agency is a Government Agency incorporated by an Act of Parliament. Consolidated financial statements are prepared in accordance with UK GAAP and the Whole of Government Accounts. The Annual Report and financial statements are available from its website [www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk) and from St George's House, Kingsway Team Valley, Gateshead, NE11 0NA.